Italian Sociological Review
ISSN 2239-8589
DOI: 10.13136/isr.v13i1.632 2023, 13(1), pp. 1 – 28

Household Budget Management and Financial Behaviour of the Italian Family in Times of Crisis*

Umberto Di Maggio[a], Fabio Massimo Lo Verde[b]

Abstract

Why are Italians at the bottom of international rankings on financial literacy? Why do they fail to make speculative financial choices and have a marked aptitude for precautionary saving? Using a Weberian perspective on household "budget management" [haushalt] and analysing the results of recent research (e.g. OECD, CONSOB and Bank of Italy), the authors argue that there are always "good reasons" and thus specific rationality that encourages people to save and reject financial speculation. This economic choice emanates from cognitive bias, financial socialisation, financial literacy, and environmental conditions. The hypothesis is that Italian households demonstrate a weaker attitude towards financial speculation and a better tendency to save because they devote more attention to consumption, which, unlike financial investments, increases and strengthens personal well-being and family relational ties. Finally, the authors affirm the social relevance of specific financial rationality, leading to a typical precautionary behaviour toward saving rather than investing. This particular attitude aims to reduce the perception of uncertainty, and this is just what is happening in the current crisis scenario.

Keywords: household budget management, household financial behaviour, financial literacy.

* The article is the result of cooperative work between the two authors. Specifically, Fabio Massimo Lo Verde is the author of part 1.1. and 1.2. Umberto Di Maggio of the remaining parts.

[a] LUMSA University of Rome, Rome, Italy.
[b] University of Palermo, Palermo, Italy.

Corresponding author:
Umberto Di Maggio
E-mail: u.dimaggio@lumsa.it

Received: 8 September 2022
Accepted: 1 December 2022
Published: 31 January 2023

Copyright rests with the author/s. This is an open access, peer reviewed article published under the Creative Commons License (CC BY 3.0).

1. Theoretical framework: from classical economic theory towards the sociological perspective

1.1. Managerial implications

The most recent research on Italian households' consumption and financial habits demonstrates a general propensity to precautionary saving compared to other speculative financial activities (D'Alessio et al., 2020; Guglielminetti & Rondinelli, 2021). This inclination has increased due to the Covid-19 pandemic (Gambacorta et al., 2020), but in addition to this cyclical factor, it is an intergenerational trait related to generalised low financial literacy (OECD INFE, 2011; 2018; 2019; 2020). Studies on consumption choices exercised within family budget units are numerous (Cotte & Wood, 2004; Davis & Rigaux, 1974; Filiatrault & Ritchie, 1980; Martinez & Polo, 1999; Soberon-Ferrer & Dardis, 1991; Solomon et al., 2006) and concern also financial choices a time of crisis (Secondulfo & Tronca, 2016) and in particular relate both the family status and internal-external negotiation strategies.

These premises authorise us to affirm that it is possible to investigate the financial consumption practices of households from at least two perspectives. Firstly, it concerns extra-familial social positioning and the requirement to have one's status and social position recognised; secondly, intra-familial power and influence dynamics. In the first case, the use of credit, the down payment for savings or simply the choices of daily consumption through the expenditure of income would depend on the obligation to live a life according to a standard considered socially acceptable (Pellandini-Simányi & Vargha, 2020). In the second case, borrowing precautionary provisioning or direct spending may be interpreted as the result of negotiations, conflicts, adaptations, clashes of ideologies and identity needs (Pahl, 1990).

Family financial behaviour, therefore, originates from family bargaining (Becker, 1973) and decisions of individual members (Sassatelli et al., 2015; Negri & Filandri, 2010) and intense relational work (Zelizer, 1989). Preferences of this kind depend on the choices of those who manage the amount of money available (Mariger, 1987), the gender and age of members (Cotte & Wood, 2004; Funches et al., 2017) but also on the institutional environment, the historical and geographical context and intra- and extra-family relational dynamics.

Likewise, Zelizer asserts that "family money is equally shaped by changing cultural conceptions of money and family life, as well as power, age and gender relations" (Zelizer, 1989, p. 344). Purchasing and saving choices thus result from group decisions, more or less negotiated by the various members, oriented towards the needs and desires of family members (Epp & Price, 2008). This stimulating perspective clashes with consumption as an individual practice and

permits, as McDonnell (2013) argues, the sociological application of the Weberian concept of "budgetary unity" to family financial rationality. Nevertheless, as we will specify later, this last concept conflicts with consumption as an individual practice rooted in the neoclassical economic paradigm. On the contrary, it considers financial rationality of an accounting nature as referring precisely to the closest relational network, namely the household. The latter, as Weber argues, is a social group that, although organised as a business, is guided by logic that is not necessarily profit-oriented. Zelizer, similarly, further states that "household money is equally shaped by changing cultural conceptions of money and family life, as well as by power relations, age and gender" (Zelizer, 1989, p. 344). So purchasing and saving choices result from group decisions, more or less negotiated by the various members, oriented towards the needs and wants of family members (Epp & Price, 2008).

This last is the logic behind our analysis, which starts with a commentary on secondary data from surveys on Italians' financial behaviour and financial literacy.

1.2. In the condition of risk and uncertainty. "Good reasons" or "Cognitive bias" determine financial behaviour?

The rise of capitalism has increased the social perception of uncertainty. In this specifical context, this existential condition depends on the multiple options available to the consumer. This actor can tactically refer to them, with adaptability and flexibility, to achieve his welfare objectives.

Uncertainty depends first and foremost on limited knowledge. The latter factor prevents an accurate representation of the present and prediction of the future. From the other side, the risk is a particular state of uncertainty in which some possible outcomes may have an undesirable effect or a significant loss. Under conditions of uncertainty, unlike risk, no probabilistic reasoning about future events is possible (Knight, 1921). Uncertainty fuels feelings of insecurity, fear, disorientation and vulnerability. In extreme cases, uncertainty is perceived as a risk because the two terms often undergo semantic alteration (North, 2005). More generally, risks affect the environment, health, lifestyles, interpersonal relationships, security and - as far as our analysis is concerned - also economic and financial dynamics (Tulloch & Lupton, 2003).

Along these lines, recent studies on the psychology of poverty have confirmed the importance of financial literacy as an essential element of human capital. It is of great importance in the fight against poverty because it predisposes people to be more aware and less stressed, and thus facilitates

access to financial markets and thus to credit and insurance. Furthermore, we refer about financial literacy by considering it closely related to financial inclusion (Emara & Mohieldin, 2020; Grohmann et al., 2018) if by inclusion we mean the availability and equality of opportunities to access appropriate, affordable, and timely financial services. A medium to a high degree of financial literacy may stimulate self-entrepreneurship and thus help emancipate from poverty traps (Wang et al., 2022).

Uncertainty affects the flexibility of choices. Moreover, these, in turn, depend on disposable income, consumption or savings choices and debt. In addition, strategies turn not only on individual action but also on the risks and dangers created by the actions of others.

Since uncertainty also depends on information asymmetries (Akerlof, 1970) and trust is an intermediate position between knowledge and ignorance (Simmel, 2009), an excess of both can produce biases such as overconfidence and herd behaviour. Behavioural finance deals with these cognitive biases (Kahneman & Tversky, 2000) and is interested in comprehending the "rational" motivations underlying consumption, investment, and savings choices.

Behavioural finance combines economics, psychology and sociology to understand the significance of emotions and the perception of information in formulating economic decisions by economic actors. We are referring to consumers, investors, households, companies, etc., the processes of formalising market prices, the effectiveness of marketing strategies, the positioning of companies in the market, and thus, more generally, the allocation of resources. These studies suggest that under conditions of uncertainty, consumers often make decisions in systematic violation of the principles of economic rationality. Are they stupid? Are there irrational motives driving them? None of the above. Sociology assumes that it is not a matter of stupidity or irrationality. Instead, the context and problem formulation determine the orientation and behaviour of investors or savers (Chattoe & Gilbert, 1999).

Society, in this perspective, is not a collection of individuals disconnected from each other. For sociologists - especially those who treasure the rationalist Weberian perspective linked to the concept of "disenchantment with the world" [Entzauberung-der-Welt] (Weber, 2004; 2011) - selfish atoms and mechanically calculating agents do not exist. Thus there can be no absolute, universally recognised rationality. Rationality is about a complex set of good reasons that everyone has and implements in daily action to achieve the best result for themselves and the circles of relations in which they are situated, in time and space. Hence again, financial behaviour which from our perspective is action-oriented towards precautionary spending, investment or saving may also not depend on a predictable pattern of behaviour.

Moreover, in this perspective, ostensible false beliefs may also determine the attitude to saving or investing. Nevertheless, it is worth asking: are such beliefs really "false"? Or is it "false" the paradigm that assigns a higher degree of rationality to those behaviours more oriented to speculating on risk and less to governing uncertainty?

The neoclassical economic paradigm considers financial behaviour from the rational investment choice of the risk of *homo oeconomicus*. This last actor seeks to obtain maximum individual utility by betting on the profitability of his capital. His actions thus oriented, together with those of other actors like him, guarantee the system's equilibrium. From this perspective, behaviour that seeks the maximum return on his capital would be rational, and any choice to the contrary would be irrational.

Building on what we have said, we state that this neoclassical economic paradigm conditions official measures of financial literacy. This dominant mainstream indeed assigns higher importance to investment- and speculation-oriented knowledge and less to savings skills.

This criticism is consistent with the observations of the Bank of Italy (Di Salvatore et al., 2018, p. 14) regarding the OECD/INFE instrument measuring financial literacy at the international level. This last study criticises official statistical measures that consider financial transactions from a perspective that only includes financial actors who want to profit from their income and assets. At the same time, it stresses that it does not correctly consider financial transactions that instead focus on immediate and future consumption and are also based, in part, on the ability to save precautionarily.

2. The social dimension of money

As we have anticipated, according to the neoclassical economic perspective, *homo oeconomicus* is a rational agent skilled in making informed and calculated choices for his well-being. His self-interest assures the balance of the market and, more generally, the economic efficiency of the entire system. Money is thus perceived quantitatively as an instrument; its value depends on the mechanical intersection of supply and demand for goods and services. On the contrary, the sociological interpretation requests to consider qualitatively the different values that money can assume, concerning the different social meanings that *homo sociologicus* allocates to money, and with precise reference to the geographical context, the historical moment, the cultural canons and the relational contexts.

In this outlook, taking up Simmel, scholars highlight a historical paradox of great sociological relevance regarding the use of money (Bandelj et al., 2017).

The reflection starts from the consideration in "Philosophy of Money" (Simmel, 2011), where Simmel affirmed the impersonal character of money that in modernity emptied reality of values. Today, on the contrary, it seems that the varied use of money serves to characterise identities and, more precisely, to qualify - also from the point of view of values - the rational choices of economic agents.

Therefore, it is necessary, nowadays more than ever, to address the current ineffectiveness of the concept of monetary fungibility. Social relations, emotions, and moral convictions can, especially today, together with technological innovations and monetary policies, create a profound differentiation in the perception of value and, therefore, the use of money in its various forms and purposes.

In light of these stimuli, which emphasise the socialised dimension of money, we wonder what role social agencies play in monetary consumption choices in social groups. We also question the role of specific skills in the economic-financial field in determining precise choices of purchase or indebtedness, which generally concern individual agents and the families to which they belong.

2.1. Financial socialisation and financial literacy from childhood to adulthood

Financial behaviour also depends on financial socialisation (Rinaldi & Bonanomi, 2011), which is "the process of acquiring and developing values, attitudes, standards, norms, knowledge and behaviours that contribute to financial sustainability and individual well-being" (Danes, 1994, p. 28).

Therefore, we consider financial socialisation as another tool that can contribute to the increase - in quantity and quality - of notions and skills that can be considered financial literacy.

We highlight that "financial socialisation" and "financial literacy" are related to life-long processes from childhood to adulthood, to socio-cultural factors (Sprow Forté, 2013) and depend on socio-economic drivers in their specific local context (Buckland, 2010). We specify that "financial socialization" is about intentional and unintentional processes and includes "financial literacy" which is the intentional part. We use financial literacy in its broadest terminological declination specifying that it is highly dependent on changes in the life cycle associated with changing professional roles and intra- and extra-family relationship roles (Gudmunson & Danes, 2011). In fact, the family is a necessary social institution for financial learning. Indeed, precisely in the household and perhaps better than in other contexts, young people learn from

adults even in informal discussions about the functioning of economic institutions, the characteristics of financial products, the use of money in consumption, investment or savings strategies (Sherraden, 2013).

Financial knowledge can facilitate achieving an adequate level of well-being (Allen & Miller, 2010; Lusardi & Mitchell, 2011, 2014; Schmeiser & Seligman, 2013; Xiao et al., 2014). For instance, having technical awareness of financial concepts and return mechanisms concerning market conditions (e.g. the return on stocks or bonds; the type of rate applied when taking out a loan, the types of amortisation in loans, etc.) can help one to make shrewd debt choices that are appropriate to one's actual availability and potential. On their own, however, more than such technical skills are needed to guarantee wise choices. Financial socialisation and, thus, learning under informal conditions is essential in this respect. In turn, financial socialisation - where it is too formal - may neglect the full appreciation of specific and more advanced financial skills transmitted and learned in formal financial education. This is why it is necessary to combine both the formal transmission and learning processes of economic-financial concepts (financial literacy), the upskilling of technical economic-financial competences (financial knowledge) and to enhance the processes - also informal - of socialisation of economic-financial issues and topics (financial socialisation) (Hastings et al., 2013; Miller et al., 2015).

Having reached this point, however, it is appropriate to clarify better the use of the concept of 'financial literacy', which we have so far used in general terms and which is instead precisely specified in the OECD international taxonomy. Financial literacy, more precisely, is definable as "a combination of awareness, knowledge, skills, attitude and behaviour necessary to make sound financial decisions and ultimately achieve individual financial well-being" (OECD INFE, 2011), "taking into account life events and shifting economic conditions" (Remund, 2010). As official studies highlight, the main areas of financial literacy are knowledge, behaviour and attitude.

The financial knowledge considers primary essentials such as simple and compound interest calculation, inflation and portfolio diversification. The financial behaviour takes in account the management of the family's financial resources, namely the formulation of a budget, the regular and worry-free payment of one's debts and utilities, and the acquisition of information before making investments. Finally, the financial aptitude is a personal inclination towards financial matters; it is the ability to plan and have savings quotas to refer to (Rai et al., 2019).

Financial literacy, hence, overall provides: to manage debt (Lusardi & Tufano, 2015); to diversify investments (Abreu & Mendes, 2010; Christelis et al., 2010); to cope with expenses and have funds to deal with emergencies (Beverly et al., 2003) and also helps to plan consumption and savings for

retirement (Behrman et al., 2012; Lusardi & Mitchell, 2011, 2014; van Rooij et al., 2011).

2.2. Accounting rationality, financial preference for saving and consumption. The Weberian perspective

Max Weber in Economy and Society (1978) states about "*Vermögen*" and "*Haushalt*". This paper utilises both concepts because they are optimal proxies to estimate the financial attitude to consumption and saving.

"*Vermögen*" is "the total estimated value of goods at the disposal of a budgetary unit which is normally utilised over a longer period, either directly or as a source of income" (Weber, 1978, p. 87).

"*Haushalt*" is "the continual utilisation and procurement of goods, whether through production or exchange, by an economic unit for purposes of its consumption or to procure other goods for consumption" (Weber, 1978, p. 87).

Based on these concepts, we state that financial rationality is of an accounting nature and does not refer to a single agent but his closest relational network, i.e. the family. Therefore, let us affirm what Weber said earlier. Specifically: "where rationality exists, its basis for an individual or for a group economically oriented in this way is the budget (haushaltsplan) which states systematically in what way the needs expected for an accounting period - needs for utilities or for means of procurement to obtain them - can be covered by the anticipated income" (Weber, 1978, p. 87).

McDonnell (2013) proposed extending the "budget units" concept to families' financial activities.

In detali, "Haushalt" concept is dissimilar from "Erweberb". Weber uses this last as acquisition or profit-making (Weber, 1978, p. 207). Quite the opposite, he uses "budgetary unit" to maximise the marginal utility of money for consumption.

Budgetary units are durable social groups and are "animated by non-pecuniary, social logics, in contrast to capitalist enterprises dominated by rational, calculated, profit-seeking" (McDonnell, 2013, p. 316).

So, in this Weberian scheme, it could be "rational" to reduce present consumption slightly, favouring savings that will be the resources to use for future consumption.

Thus, in this perspective, financial rationality is finalised to keep constant the maintenance of one's overall level of well-being throughout one's life.

The Weberian perspective considers consumption as a non-strictly individual practice. Assuming households as budget units, and therefore as essential elements and elementary forms of enterprise implies comprehending

the close connection between economic and financial behaviour, oriented towards consumption or savings, and the consequent centrality of other variables. We refer to decision-making power, the ability to influence the members of the groups to which one belongs, sources of information, contextual conditions, habits, cultural conditioning that influence the processes of purchase, investment or possible choices of precautionary conservation.

At this point, we ask ourselves this question: how do we explain financial behaviour in the family as a function of the family's life cycle and its members? In this sense, we consider that the sociological reinterpretation of Franco Modigliani's famous economic theory can be very useful.

2.3. Consumption and financial savings over the life cycle. A sociological reinterpretation of Modigliani's economic theory

Nobel Prize winner Franco Modigliani with his "Life Cycle Theory of Consumption and Savings" (Modigliani & Brumberg, 1954), taking up the Keynesian marginal propensity to consume (Keynes, 1936), stated that consumers save part of their income when they are young to use it when they become adults. They then accumulate wealth, sacrificing some of their current spendings because they use the savings in the form of money to consume at the end of their working lives and in retirement. Thus, their current consumption choice depends on a particular form of rationality that spans multiple periods and considers current and future needs.

Modigliani also pointed out that the inter-temporal balancing of consumption levels ensures that the quantitative increase in income in a short period generates fewer additional benefits in terms of utility. Although this theory originates in a purely economic theoretical framework, it is, in our opinion, also interesting from a sociological point of view. It provides a way to interpret financial actions over the lifetime of social actors. As we have already mentioned, historical contexts, institutional environments and relational networks condition the biographies of individual social actors. For our analysis, we deem Modigliani's model crucial to consider economic and financial choices of consumption or savings within a single interconnected flow closely linked to the relational contexts in which agents rationalise and implement financial choices. We interpret this model more precisely through the sociological prism of Elder's (1998) "Life Course Theory" which considers savings and consumption to be closely linked to work capacity, income level, and wealth possessed. These factors result from relational paths that mature and develop within the family. Thus, using this last sociological prism more appropriately, who studied the consequences on youth and families of the Great Depression,

we can decode the connection between critical events, institutional context, and subsequent personal and family development trajectories over the life course. Precisely, Elder ascertained that the consequences of indebtedness, loss of income, and increasingly precarious employment caused relational shocks (e.g., boosted stress and disruption of the family balance between adults and youth), both of which had a substantial impact on personal paths to social achievement and well-being. On the latter, Elder has pointed to the emergence of a kind of generational handicap on economic-financial issues that "tends to follow a lifelong path of disadvantage in later years" (Elder, 1998, p. 9).

Modigliani's theory, therefore, in a sociological perspective, can, in our opinion, be helpful to investigate the connections between income, saving and consumption about the preference structures of the individual actors and their families with the consequent choices of expenditure or accumulation. Moreover, we can employ this theory to understand the coherence of the actors' financial behaviours to cultural conditionings and temporal and spatial environmental conditions.

Specifically, however, it is crucial to understand if this theory and the Weberian "haushalt" can also be suitable to explain the tendency to precautionary saving. For example, instead of speculative investment, there are specific family dynamics, precise environmental conditions and generational policies of a particular type about work and welfare in some contexts. Again, the Italian context seems emblematic, and we will use it as an ideal type.

3. Descriptive analysis of secondary data concerning the Italian case

3.1. First pieces of evidences

Our research questions begin on these four empirical elements, which we will discuss in more detail later in the data sources section:

1. Italian adults and young learners are at the bottom of the international rankings for financial literacy. However, when it comes to the sub-indicator on literacy referring to the ability to accumulate precautionary savings, they are in less marginal positions (OECD INFE, 2020).
2. During the pandemic, Italian households' bond investments were the highest, while equity and mutual fund investments were the lowest (CONSOB, 2021, p. 44). These trends are not only related to the pandemic period. They are also evident in the pre-pandemic time series (Bank of Italy, 2018a, 2018b).
3. Approximately 40% of households questioned in a 2020 Bank of Italy preferred to accumulate savings rather than spend income on

consumption or investment during the pandemic. The increase in savings concerns those who indicated that they would make ends meet without any particular financial problems or reasonable ease. Italian households also reported spending one-third of their accumulated savings during 2019-2020, with just over half going into savings or investments. Moreover, people reported leaning towards a conservative financial stance even after the health emergency, keeping their accumulated savings at higher levels than pre-pandemic levels (Guglielminetti & Rondinelli, 2021).

4. In 2020, the household propensity to save rate (percentage ratio of gross savings to adjusted gross disposable income) stood at 15.2 points compared to 5.7 for the investment rate (percentage ratio of consumer households' gross fixed capital formation to their gross disposable income) (ISTAT, 2020a, pp. 2-4).

3.2. A preliminary critique of statistical tools for measuring financial literacy

We declared that the neoclassical economist paradigm, in our view, conditions the official measures of financial literacy. Consistent with this mainstream, higher scores receive investment- and speculation-oriented knowledge; lower scores obtain savings capacity. This critique is consistent with the observations of the Bank of Italy (Di Salvatore et al., 2018, p. 14) towards the OECD/INFE instrument. It considers financial transactions from a perspective that only includes people who like to profit from their income and assets. On the contrary, this perspective does not accurately consider financial transactions from immediate and future consumption.

Therefore, it is inaccurate that official statistics assign more weight to the endowment of knowledge or ability to behave and less to that of an aptitude for saving.

According to these official measures, financial knowledge mainly considers understanding interest rates, inflation, and portfolio diversification. Financial behaviour refers to budgeting and investing. Financial aptitude refers directly to planning skills.

In detail, the most critical factors of the measurement instrument proposed by the OECD INFE are:

1. *Knowledge* and *behaviour* has great importance, and *attitude* has less weight (financial knowledge score is in the range 0-7, financial behaviour score is in the range 0-9, financial attitude score is in the range 1-5);

2. Random selection of respondents does not guarantee that the respondent is the actual household planner and decision-maker (Hsu, 2016);
3. Financial literacy should also include topics and skills learned within the broader framework of general culture. In this sense, Italy's disadvantage compared to the rest of Europe in the education levels of the population, even if it decreases in the younger age groups, is marked. For example, 62.2% of 25-64-year-olds in Italy have at least a diploma, 78.7% in the EU (ISTAT, 2020b);
4. Financial participation resulting from literacy should be considered with different life cycles and commensurate with macroeconomic conditions and institutional factors (Di Salvatore et al., 2018). With this in mind, it is crucial to provide additional weight to financial aptitude, which refers to the ability to save and thus to be forward-looking and supportive of the lives of one's family members who will be able to use that committed capital in the future.

The criticisms we have reported confirm the necessity to consider financial behaviour in its socially embedded nature. Sociology can make a significant contribution to this field. We refer specifically to the analysis of monetary decisions with financial trajectories throughout life and their consequences for personal well-being and socio-economic development at the macro level.

3.3. Questions research

Based on the previous empirical results, we wonder whether there are specific causes that can explain the lower financial literacy of Italians, the consequent inability to diversify risks, the more general tendency towards investment aversion and, finally, the preference for precautionary saving.

Regarding the last point, Italian households seem to have a typical financial attitude that prefers - as a famous popular saying goes, 'saving for a rainy day' for hard times. This tendency is, after all, the pandemic and war scenario we are currently experiencing. Instead of seeking profitability in investments and managing the associated risk, people may prefer to set aside savings for future consumption.

Nevertheless, what are the reasons? Discussion of secondary data extrapolated from international and national research and reported from now on will corroborate the relevance of formal financial learning processes and informal and unintentional financial socialization.

3.4. Data sources

3.4.1. International Survey of Adult Financial Literacy (OECD INFE, 2020): Italian adults' low competencies in financial matters

Data from the OECD/INFE survey on adult financial literacy show that Italy has the lowest percentage of adults to achieve the minimum financial literacy score (53%). Hong Kong, China (71.1%), Slovenia (70%), Austria (68.5%) and Germany (66.1%) are the countries with the highest values.

Therefore, Italians have low financial knowledge and cannot inform themselves and compare financial products and services to make appropriate financial decisions. The indicator "knowledge", as we said previously, mainly refers to the capacity to comprehend elementary financial concepts (e.g., simple and compound interest rates). Knowledge of these concepts encourages individuals to operate with greater confidence in financial matters, reduce biases, manage savings and investments wisely, react without particular stress to events that develop in the market, and, therefore, does not affect financial well-being.

3.4.2. Financial literacy assessment of students (OECD PISA, 2018): literacy is an educational and social issue

Financial literacy is a topic that greatly concerns young people. Teenagers make daily decisions about money and are already consumers of financial services. Many of them already experience financial transactions, including digital ones. As they move into adulthood, they will have to deal with the increasing complexity and risks of the financial world. Concerning 15-year-olds, on average, in the 13 OECD countries that participated in the PISA survey, about 54% have a bank account. In Finland, the percentage rises to 89%, while in Italy, it drops to 44%. Regarding payment cards in Finland, 78% of young people of that age have at least one; in Italy, 41%.

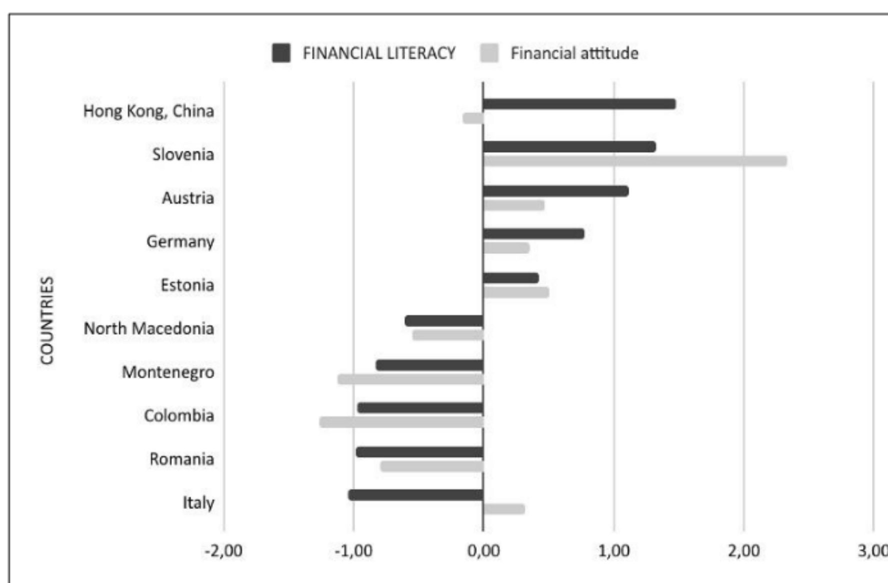
In detail, the results of the international OECD/PISA survey on the financial literacy of 15-year-old students reveal that Italy is at the bottom of the international rankings with a score of 476 points, significantly lower than the OECD average of 505 points.

These results align with previous surveys where substantial territorial differences are evident. The highest literacy levels are more likely to be found among males in high schools in the North.

It is also worth noting that in Italy, 90% of students state that the family is the primary source of information on financial matters (95% OECD average),

83% rely on the internet (77% OECD average), 44% ask teachers for information (50% OECD average), 44% ask friends (51% OECD average).

Figure 1. Adults performance in financial Literacy, OECD top and bottom five countries. Normalised data.



Our elaboration. Financial literacy includes Financial attitude. Source OECD/INFE INTERNATIONAL SURVEY OF ADULT FINANCIAL LITERACY 2020

These data confirm that financial decisions depend on learning the content conveyed in official financial education programmes and daily consumption (Ribeiro & Soares, 2017). As a result, these latter are decisive to socialise the shrewd and targeted use of financial resources. In effect, therefore, financial literacy reduces the risk of personal and family default and, consequently, positively impacts household finances and the state, thus having less demand for support for persons in financial difficulties (Weiss, 2020).

3.4.3. Report on Italian households' investment choices (Consob, 2019; 2021): untrust, uncertainty, loss aversion drive money-saving preference

Data from the 2018-2021 Italian National Commission for Companies and the Stock Exchange (CONSOB) survey indicate that the ratio of net wealth to the disposable income of Italian households is higher than the average Eurozone figure. While stating that they have no anxiety or discomfort with

financial matters, the majority of respondents say they do not intend to invest in products that contemplate the potential to lose their capital. This belief results from an increased confidence deficit filled by the growing purchase of insurance and pension products. Increased participation in financial markets depends, as indicated, on higher levels of education, more excellent numeracy, and financial knowledge. Thus, there is a relationship between participation in financial markets and moods, such as optimism and confidence. Trust refers to different actors: Italians seem to trust the most is family, followed by friends, the health system and financial actors understood as banks or financial advisors. More than 60%, on the other hand, do not trust any of the financial actors considered.

Loss aversion and risk aversion intertwine with age, marital status, residence, professional status and financial status. In particular, the highest values relate to residents in the South and Islands, unemployed, retired, widowed or divorced, and single-income earners. 31% of respondents regularly save as a precautionary measure; 26% fail due to complete absorption of household income. 43% of the sample took out a mortgage to finance both current expenses and the purchase of their first home.

3.4.4. Survey on the financial statements of Italian households (Bank of Italy, 2018): an ideal-typical profile of saver before and during the pandemic Covid-19

A typical profile of the Italian saver, according to a Survey by the Bank of Italy (2018a), has the following characteristics: a) male; b) aged between 51 and 65; c) graduated; d) in the professional status of an executive or managerial employee; e) of Italian origin; f) resident in the North in small towns (up to 20,000 inhabitants) or large cities (over 500,000 inhabitants).

The Survey also probes the most significant changes in financial activities over the 2006-2016 period. Specifically, reports that:

1. the number of people in the 51-65 and over 65 bracket with deposits increased. For these, there was a decrease in ownership of government securities and other financial assets;
2. deposits increased significantly for residents in large urban centres, in the South and on the Islands;
3. ownership of government securities and other financial assets, as well deposits, decreased for residents in the North and residents of cities over 500,000 inhabitants;
4. white-collar workers, executives and managers have left their share of deposit ownership essentially unchanged and have decreased their

holdings of government securities and other financial assets. These trends also apply to freelancers and entrepreneurs.

We can explain these trends also through the concept of financial awareness, referred adequately to Italians. These lasts are probably more aware of their limitations in financial matters or at least more cautious in assessing their level of financial knowledge (Di Salvatore et al., 2018).

In this sense, as we mentioned, the financial behaviour of Italian households during the pandemic confirms attitudes toward precautionary saving. However, as a recent Bank of Italy report confirms, during the first half of 2020, despite strong public support for household capacity, a significant decrease in consumption (-9.8%) of Italian households and net savings of 51.6 billion were recorded. In contrast to the previous two crises (the subprime mortgage crisis and the sovereign debt crisis). Compared to 2019, it increased from 2.8% to 9.2%, confirming that the COVID crisis is undoubtedly more significant and significantly impacts consumption and savings (Guglielminetti & Rondinelli, 2021; Infante et al., 2021, p. 4).

3.4.5. Survey on Italians' savings and financial choices (Luigi Einaudi Research and Documentation Centre, 2019): precautionary saving or inability to save money?

The sample survey on the perception of saving (Centro di Ricerca e Documentazione Luigi Einaudi, 2019) reveals that saving is considered "very useful" for 47% of respondents. At the same time, however, respondents declare a substantial inability to save. The highest values are in the South and the 45-54 age group.

The most important motivation for saving is to cope with unforeseen events. However, the research correlates this reason with gaps in financial literacy: 37.5% of those interviewed deem that the most problematic aspect of deciding to invest in understanding the risk stems from the various options.

In particular, people in the middle 35-44 age group are particularly attentive to these issues, and they must look at their financial future and likely do so with concern. Risk aversion is directly related to income and education level (Russo, 2019) but is generally very present in the behaviours of all Italian savers.

4. Conclusion

4.1. The legacy of the classical Weberian perspective in finance

Reviewing the Italian case of household financial consumption through the classical Weberian perspective and revisiting Modigliani's economic theory from a sociological point of view can substantiate the existence of a close correlation between the institutional environment, cultural conditioning, family ties and the corresponding investment, saving or consumption preferences.

Considering the Italian family as a "budgetary unit" in the term's Weberian meaning could clarify the higher attitude to precautionary saving and the aversion to a profitable investment. However, we would like to point out that the above theories are not exhaustive explanatory prisms. Nevertheless, the use of these theories to interpret empirical data, in our opinion, can be a stimulus to further question ourselves on the generative causes that determine the typical development of the phenomenon in a specific context such as Italy, which is the object of reflection in this study.

Taking up Weber's legacy of the various studies on finance, which we have evoked here through the contribution in his *Economy and Society* but which also concerns those on the stock exchange (Lestition, 2000; Di Maggio, 2020; Tilly, 2002; Weber, 1984), can therefore help us to explain the recurring typicality of "economically relevant and economically conditioned phenomena" (Weber, 1978). We refer specifically to the recourse to precautionary saving and the rejection of financial speculation with the typicality of family ties, contextual conditions and the endowment of specific economic and financial knowledge.

In Italy specifically, as we have observed, the prevailing attitude is wealth accumulation, precautionary saving to cope with future expenses, aversion to losses and priority to consumption. The latter, in particular, unlike financial investments, increases and strengthens personal well-being and family ties. The explanations are that, as Weber explicitly states, "economic units" - such as households - are durable, non-atomic groups that consume (and save) to satisfy the requirements of their members. Moreover, households differ from capitalist groups, which are only oriented towards individual profit and have no relational ties.

However, as Weber again points out, such economic units also engage in financial activities. These refer more precisely to the use of own funds derived from current income or savings set aside for present or future consumption and fully reflect the original meaning of the term "finance". Consistent with this, we assert the need to recover the origin of the term from the Old French "finer" (to make an end), to settle a debt and from the Medieval Latin "finis" = payment in an agreement. These two words justify that finance is more sociologically

related to social relations, trust relationships and consumer behaviour than economic theory. Therefore, this specifical declination of "finance" seems to us the closest to money and currency, which, as we comprehend, have always been the object/subject of study of sociology and the social sciences in general, starting with Simmel not only.

4.2. Limitations and hypotheses for further studies

Rather than original empirical research, this work presented an interpretation of statistical data on the Italian case. We have used various official sources in the light of a revised sociological theoretical framework based above all on the contribution of a classic such as Weber: an authentic pioneer with his insights on rational choice oriented towards consumption, investment or savings.

More validation of the hypotheses that this work proposes experimentally could come through other research, both qualitative and quantitative. This cognitive effort could better elucidate the causal links between savings attitudes, financial awareness and knowledge, and financial behaviour. It could also focus on family dynamics issues regarding life courses, distinguishing and relating the different paths of adults and youth. For example, many factors cause the risk aversion of financial speculation and the preference for precautionary saving. Based on Weberian theory, these elements may be the key to studies that use households as the elementary economic unit. The Italian case, in this case, is symbolic. In our opinion, particular conditions in this country could lead to a greater focus on the relationship between savings attitudes and financial behaviour. It could, furthermore, focus on family dynamics issues regarding life courses, distinguishing and relating the different paths of adults and youth.

Many elements determine risk aversion and the predilection for precautionary saving. Based on Weberian theory, these determinants can be the keystone of studies that utilise households as an elementary economic unit. In Italy, specific cultural and environmental conditions lead one to consider saving a piece of the more complex financial strategy to maintain consumption standards at the household level. The factors we are referring to, in particular, are:

1. the precariousness of working life;
2. the fragility and inadequacy of social policies;
3. the difficulty of accessing credit;
4. the widespread distrust in the banking system;
5. the extreme variability of social security regulations;

6. the bankruptcies and business failures that have progressively eroded trust in economic institutions and beyond.

Moreover, the changing demographic structure and the consequences on welfare policies also determine the financial behaviour of Italian households. The population is progressively ageing (old age rate: 139.9 in 2006; 178.4 in 2019), and the number of newborns is decreasing (birth rate: 9.5 in 2006; 7 in 2019). This trend is especially evident when comparing the data with the rest of European countries. Among EU member states, the highest proportion of young people in the total population in 2018 was observed in Ireland (20.8%), while the lowest was in Italy (13.4%) and Germany (13.5%). Regarding the incidence of people aged 65 and over in the total population, Italy (22.6%) and Greece (21.8%) had the highest percentages, Ireland the lowest (13.8%) (Eurostat, 2020). These specific trends inevitably affect welfare, which in Italy refers to a particular family model. Here intra- and inter-family relations are intense; the family acts as a social buffer and provides the satisfaction of the needs of its members (Ferrera, 1996). This typicality also directly influences consumption problems, financial behaviour, and probably the preference for precautionary saving. The distinctive profile of the Italian saver is that of the adult and the elderly. More generally, the preferred savings or financial investments are insurance and pension instruments preferred to risky ones. These instruments probably serve to better cope with unforeseen expenses that affect families as a whole. In the Italian scenario, therefore, young people suffer from financial exclusion. This phenomenon cannot be considered only in the impossibility to obtain credit for expenses. The necessary consequences concern the broader social dimension that impacts life projects.

What happens to young people is essential because it invites us to consider the effects of globalisation concerning the spread of the hyper flexibility mechanisms of recent decades. The latter has caused an increase in job insecurity the difficulty of starting up self-entrepreneurial paths and thus amplified the feeling of social uncertainty. The most urgent consequences have concerned the formation of families and have mainly affected young people who can be considered the real losers of globalisation (Blossfeld et al., 2005). Especially in Italy and the other PIIGS countries, young people from the lower occupational classes have shown a greater risk of being employed on temporary contracts, of becoming or remaining unemployed, and of being trapped in precarious positions that impacted the demand for finance, on personal and household debt, on investment in housing or durable goods and, more generally, on the financial behaviour of households. Families, predictably, have tended towards precautionary saving rather than profit-driven capital investment.

Therefore, there is a significant correlation between the financial opportunities offered to young people and their chances of achieving greater autonomy and economic independence from their family of origin. However, as scholars have pointed out (Dagnes, 2018, 2020; Bertolini & Moiso, 2020, p. 116), specific peculiarities refer to structural conditions that do not just depend on cultural reticence or lack of financial literacy. More generally, the level of bank debt and access to financial products in Italy follows different trajectories from other countries. If we refer to the period between the years after the Second World War and those following the subprime mortgage crisis, we can observe that the number of Italian households with mortgages has gone from 5% to about 28% (Bank of Italy, 2010). Although on the rise, these rates bear witness to the fact that, essentially, borrowing to buy a house is not the preferred solution. However, there have been changes in young people and their indebtedness in the last decade. Factors that have contributed to the slight increase in indebtedness for this segment of the population are the stabilisation of employment contracts, the increase in financial strength after the end of the Great Recession of 2007 and the sovereign debt crisis of 2011, legislative measures to liberalise the banking market and the implementation of some protections for weaker sections of the workforce to encourage credit expansion. These measures have been implemented at the national level and also at the local level. However, the condition of access to the protection offered by these funds still excludes atypical workers. In this sense, credit access must be considered a powerful driver to innovate welfare policies and thus counteract the many vulnerabilities and insecurities that depend on the impossibility of having the necessary finances to realise one's life plans (Moiso, 2011; 2012).

In conclusion, we can say that further validation of these hypotheses of interpretation of the Italian phenomenon, referring to the financial consumption of households, which we have discussed in this section, could take place through other qualitative and quantitative research. Such analysis would better explain the causal links among savings attitudes, financial awareness and knowledge and financial behaviour.

4.3. Saving for a rainy day (in Italy). Living in an insecure society

We used statistical findings to argue that Italians' attitude to precautionary saving and the simultaneous risk aversion to financial speculation is due above all to the general conditions of insecurity and lack of trust in banking institutions and others.

Specifically, we have referred to financial accumulation as a rational strategy that guarantees the economic actor, under constant conditions of

uncertainty or with the prediction of worsening scenarios, the possibility of maintaining constant consumption. The strategy applies at the personal level and the household level. This supra-individual level has an intergenerational and intertemporal character. Therefore, it concerns the immediate consumption needs of those who, within the closest relational circle, need resources to sustain consumption and who, like young people, cannot cope with it with their income. We have tried to explain this attitude of Italians to saving employing the Weberian concept of budgetary unit (Weber, 1978) and through the Elder's sociological reinterpretation of the theory of the long life cycle (Modigliani & Brumberg, 1954). Although these theories, in themselves, do not adequately explain the Italian case, they are, in our opinion, a fascinating conceptual prism that can stimulate a necessary updating of the debate on financial behaviour (which can be directed towards speculative investment or precautionary saving but also extemporary consumption) also from a sociological and not only economic perspective.

We have used these two theories as a primary analytical tool to explain financial behaviour about financial literacy, which emphasises skills and focuses explicitly on the precautionary attitude of setting aside portions of income to guarantee future expenses. Furthermore, we have argued that this specific financial attitude is interrelated to the substantial valuation assigned to consumption that could increase personal well-being and guarantee the relational ties with the family that turn out to be barycentric to ensuring the person's overall well-being.

Therefore, we can state that it is necessary to consider financial literacy in its three areas of interest (knowledge, behaviour and attitude) as both cause and consequence of learning and financial socialisation processes. However, it also depends, above all, on macro-environmental conditions: socio-demographic characteristics of the population, typicality of welfare policies, the solidity of the economic and financial system in response to economic shocks.

More generally, perceptions of mistrust and uncertainty, which lead towards preventive accumulation or speculative investments, also depend on these factors and have significantly influenced risk aversion and attitudes towards savings. However, we have specified that these attitudes are not financial irrationalities and, therefore, cannot be considered as behavioural biases typical of those who reject investment profitability in the face of greater security. On the contrary, these perspectives confirm the association between income and savings via consumption. Precautionary saving is a time strategy implemented to maintain high levels of available wealth throughout life and thus have socially appreciable living standards. Moreover, in this sense, the management of income and savings and the ability to make profitable investments based on managing insecurity and risk are decisive to attest

admiration and improve reputation in relational circles. The latter is appropriately social factors with a significant financial content.

Are these perhaps the new interpretative challenges for the sociology of finance (Cetina, 2012) or for the new sociology of financial behaviour, which focuses more on the considered choices of consumers (and their families) understood as rational smart social actors and, therefore, always having good reasons (Boudon, 1994) to save or invest?

References

Abreu, M., & Mendes, V. (2010). Financial literacy and portfolio diversification. *Quantitative Finance*, *10*(5), 515–528. https://doi.org/10.1080/14697680902878105

Akerlof, G. A. (1970). The Market for "Lemons": Quality Uncertainty and the Market Mechanism. *Quarterly Journal of Economics*, *84*(3), 488–500. https://doi.org/10.2307/1879431

Allen, S. F., & Miller, J. (2010). A community initiative to support family financial well-being. *Community, Work and Family*, *13*(1), 89–100. https://doi.org/10.1080/13668800903101581

Bandelj, N., Wherry, F. F., & Zelizer, V. (2017). *Money talks: explaining how money really works*. Princeton: Princeton University Press.

Bank of Italy. (2010). *I bilanci delle famiglie italiane nell'anno 2008*. https://www.bancaditalia.it/pubblicazioni/indagine-famiglie/bil-fam2008/index.html

Bank of Italy. (2018a). *Statistiche Indagine sui bilanci delle famiglie italiane*. www.bancaditalia.it/statistiche/index.html

Bank of Italy. (2018b). Financial Accounts 10/10/2018. https://www.bancaditalia.it/pubblicazioni/conti-finanziari/2018-conti-finanziari/en_statistiche_CFI_20181018.pdf

Beck, U. (1986). *Risikogesellschaft. Auf dem Weg in eine andere Moderne*. Frankfurt: Suhrkamp. https://doi.org/10.2307/3341155

Becker, G. S. (1973). A Theory of Marriage. *Journal of Political Economy*, *81*(4), 813–846. https://doi.org/10.1086/260084

Becker, G. S. (1996). *Accounting for Tastes*. Cambridge MA: Harvard University Press. https://doi.org/10.4159/9780674020658

Behrman, J. R., Mitchell, O. S., Soo, C. K., & Bravo, D. (2012). How financial literacy affects household wealth accumulation. *American Economic Review*, *102*(3), 300–304. http://dx.doi.org/10.1257/aer.102.3.300

Bertolini, S., & Moiso, V. (2020). The synchrony of temporary young workers Employment discontinuity, income discontinuity and new social

inequalities in Italy. In V. Cuzzocrea, B. G. Bello & Y. Kazepov (Eds.), *Italian Youth in International Context. Belonging, Constraints and Opportunities,* pp. 112-128, London-NewYork, Routledge.

Beverly, S., Hilgert, M. A., & Hogarth, J. M. (2003). Household financial management: the connection between knowledge and behavior. *Federal Reserve Bulletin*, Jul, 309–322. https://www.federalreserve.gov/pubs/bulletin/2003/0703lead.pdf

Blossfeld, H. P., Klijzing, E., Mills, M., & Kurz, K. (2005). *Globalization, Uncertainty and Youth in Society*. The Losers in a Globalizing World. London-NewYork, Routledge.

Boudon, R. (1994). *The Art of Self-Persuasion: The Social Explanation of False Beliefs*. New York: Polity. https://doi.org/10.1086/230731

Buckland, J. (2010). Are low-income canadians financially literate? placing financial literacy in the context of personal and structural constraints. *Adult Education Quarterly*, *60*(4), 357–376. https://doi.org/10.1177/0741713609358449

Cetina, K. P. (Ed.). (2012). *The Oxford handbook of the sociology of finance*. Oxford: OUP. https://doi.org/10.1093/oxfordhb/9780199590162.001.0001

Chattoe, E., & Gilbert, N. (1999). Talking about budgets: Time and uncertainty in household decision making. *Sociology*, *33*(1), 85–103. https://doi.org/10.1177/S003803859900005X

Christelis, D., Jappelli, T., & Padula, M. (2010). Cognitive abilities and portfolio choice. *European Economic Review*, *54*(1), 18–38. https://doi.org/10.1016/j.euroecorev.2009.04.001

CONSOB. (2019). *Report on financial investments of Italian Households*. Roma: Consob. http://www.consob.it/web/consob-and-its-activities/report-on-investments-households

CONSOB. (2021). *Rapporto sulle scelte di investimento delle famiglie italiane Attitudini e profili comportamentali*. https://www.consob.it/documents/46180/46181/rf2021_it.pdf/91b5f47c-cbad-40b4-9d7c-1405a4d72b06

Cotte, J., & Wood, S. L. (2004). Families and innovative consumer behavior: A triadic analysis of sibling and parental influence. *Journal of Consumer Research*, *31(1)*, 78–86. https://doi.org/10.1086/383425

D'Alessio, G., De Bonis, R., Neri, A., & Rampazzi, C. (2020). L'alfabetizzazione finanziaria degli italiani: i risultati dell'indagine della Banca d'Italia del 2020. *Questioni di Economia e Finanza*, *588*.

Dagnes, J. (2018). Finanza e vita quotidiana: la finanziarizzazione delle famiglie italianeFinance and daily life: the financialization of Italian families. *Quaderni Di Sociologia*, *76*, 35–56. https://doi.org/10.4000/qds.1873

Dagnes, J. (2020). Debito, finanza, rischio e crisi. *Quaderni Di Sociologia*, *LXIV*(83), 123–129. https://doi.org/10.4000/qds.4104

Danes, S. M. (1994). Parental perceptions of children's financial socialization. *Financial Counseling and Planning*, *5*, 127–149. https://www.afcpe.org/wp-content/uploads/2018/10/vol-58-1.pdf

Davis, H. L., & Rigaux, B. P. (1974). Perception of Marital Roles in Decision Processes. *Journal of Consumer Research,* 1(6), 51–62. https://doi.org/10.1086/208581

Di Maggio, U. (2020). "Die Börse": Legacy and Perspectives of Max Weber's Sociology of Finance, *Studi di sociologia, 3*, 273–290. https://doi.org/10.26350/000309_000097

Di Salvatore, A., Franceschi, F., Neri, A., & Zanichelli, F. (2018). *Measuring the financial literacy of the adult population: the experience*. Roma: Banca d'Italia. https://doi.org/10.2139/ssrn.3212627

Elder, G. H. (1998). The Life Course as Developmental Theory. *Child Development*, 69(1), https://doi.org/10.2307/1132065

Emara, N., & Mohieldin, M. (2020). Financial inclusion and extreme poverty in the MENA region: a gap analysis approach. *Review of Economics and Political Science, 5*(3), 207–230. https://doi.org/10.1108/REPS-03-2020-0041

Epp, A. M., & Price, L. L. (2008). Family identity: A framework of identity interplay in consumption practices. *Journal of Consumer Research*, *35*(1), 50–70. https://doi.org/10.1086/529535

EUROSTAT. (2020). Population structure and ageing. https://ec.europa.eu/eurostat/statistics-explained/index.php

Ferrera, M. (1996). The «Southern Model» of Welfare in Social Europe. *Journal of European Social Policy*, *6*, 16–37. https://doi.org/10.1177/095892879600600102

Filiatrault, P., & Ritchie, J. R. B. (1980). Joint Purchasing Decisions: A Comparison of Influence Structure in Family and Couple Decision-Making Units. *Journal of Consumer Research*, *7*(2), 131. https://doi.org/10.1086/208802

Funches, V., Yarber-Allen, A., & Kimberly, J. (2017). Generational and family structural differences in male attitudes and orientations towards shopping. *Journal of Retailing and Consumer Services*, *37*(7), 101–108. https://doi.org/10.1016/j.jretconser.2017.02.016

Gambacorta, R., Rosolia, A., & Zanichelli, F. (2020). Le condizioni finanziarie delle famiglie europee di fronte alla pandemia. Banca d'Italia. https://www.bancaditalia.it/media/notizia/le-condizioni-finanziarie-delle-famiglie-europee-di-fronte-alla-pandemia/

Grohmann, A., Klühs, T., & Menkhoff, L. (2018). Does financial literacy improve financial inclusion? Cross country evidence. *World Development,*

111, 84–96. https://doi.org/10.1016/J.WORLDDEV.2018.06.020

Gudmunson, C. G., & Danes, S. M. (2011). Family Financial Socialization: Theory and Critical Review. *Journal of Family and Economic Issues*. https://doi.org/10.1007/s10834-011-9275-y

Guglielminetti, E., & Rondinelli, C. (2021). *Consumption and saving patterns in Italy during Covid-19*. https://www.bancaditalia.it/pubblicazioni/qef/2021-0620/QEF_620_21.pdf

Hastings, J. S., Madrian, B. C., & Skimmyhorn, W. L. (2013). Financial literacy, financial education, and economic outcomes. *Annual Review of Economics*, *5*, 347– 373. https://doi.org/10.3386/w18412

Hsu, J. W. (2016). Aging and Strategic Learning: The Impact of Spousal Incentives on Financial Literacy. *The Journal of Human Resources*, *51*(4), 1036–1067. https://doi.org/10.3368/jhr.51.4.1014-6712r

Infante, L., Lilla, F., Marinelli, G., Marinucci, M., Semeraro, G., & Vercelli, F. (2021). The economic and financial accounts during the COVID-19 public health crisis. https://www.bancaditalia.it/media/notizia/the-economic-and-financial-accounts-during-the-covid-19-public-health-crisis/

ISTAT. (2020a). *Conto trimestrale delle AP, reddito e risparmio delle famiglie e profitti delle società. IV trimestre 2020*. https://www.istat.it/it/archivio/256226

ISTAT. (2020b). *Livelli di istruzione e ritorni occupazionali 2019*. https://www.istat.it/it/files/2020/07/Livelli-di-istruzione-e-ritorni-occupazionali.pdf

Kahneman, D., & Tversky, A. (2000). *Choices, Values and Frames*. Cambridge: Cambridge University Press. https://doi.org/10.1017/CBO9780511803475

Keynes, J. M. (1936). *The General Theory of Employment, Interest and Money*. London: Macmillan. https://doi.org/10.1007/978-3-319-70344-2_1

Knight, F. H. (1921). *Risk, uncertainty and profit*. Boston: Houghton Mifflin Co.

Lestition, S. (2000). Stock and Commodity Exchanges, *Theory and Society*, 29, pp. 289-304.

Lusardi, A., & Mitchell, O. S. (2011). Financial literacy around the world: an overview. *Journal of Pension Economics and Finance*, *10*(04), 497–508. https://doi.org/10.1017/S147474721100448

Lusardi, A., & Mitchell, O. S. (2014). The Economic Importance of Financial Literacy: Theory and Evidence. *Journal of Economic Literature*, *52*(1), 5–44. https://doi.org/10.1257/jel.52.1.5

Lusardi, A., & Tufano, P. (2015). Debt literacy, financial experiences, and overindebtedness. *Journal of Pension Economics and Finance, 14*(4), 332–368. https://doi.org/10.1017/S1474747215000232

Mariger, R. P. (1987). A Life-Cycle Consumption Model with Liquidity Constraints: Theory and Empirical Results. *Econometrica*, *5*, 533–557. https://doi.org/10.2307/1913599

Martinez, E., & Polo, Y. (1999). Determining factors in family purchasing behaviour: an empirical investigation. *Journal of Consumer Marketing*, *16*(5), 461–481. https://doi.org/10.1108/07363769910289569

McDonnell, E. M. (2013). Budgetary Units: A Weberian Approach to Consumption. *American Journal of Sociology*, *119*(2), 307–350. https://doi.org/10.1086/673295

Miller, M., Reichelstein, J., Salas, C., & Zia, B. (2015). Can you help someone become financially capable? A meta-analysis of the literature. *World Bank Research Observer*. https://doi.org/10.1093/wbro/lkv009

Modigliani, F., & Brumberg, R. (1954). Utility analysis and the consumption function: an interpretation of cross-section data. *Post Keynesian Economics*. https://doi.org/10.4324/9781315016849

Moiso, V. (2011). I fenomeni finanziari nella letteratura sociologica contemporanea: l'emergenza di nuove prospettive. *Stato e Mercato*, *XXXI*(2), 313–342. https://doi.org/10.1425/35234

Moiso, V. (2012). L'accesso al credito come innovazione di welfare e contrasto alla vulnerabilità. *Rivista delle Politiche Sociali*, *4*(12),

Negri, N., & Filandri, M. (Eds.), (2010), *Restare di ceto medio. Il passaggio alla vita adulta nella società che cambia*. Bologna: il Mulino. https://doi.org/10.978.8815/229632

North, D. C. (2005). *Understanding the Process of Economic Change*. Princeton: Princeton University Press. https://doi.org/10.1515/9781400829484

OECD, INFE. (2011). *Measuring Financial Literacy: Questionnaire and Guidance Notes for conducting an Internationally Comparable Survey of Financial literacy*. Paris: OECD Publishing.

OECD, INFE. (2018). *OECD/INFE Toolkit for Measuring Financial Literacy and Financial Inclusion*. Paris: OECD. http://www.oecd.org/financial/education/2018-INFE-FinLit-Measurement-Toolkit.pdf

OECD, INFE. (2019). *PISA 2018 Results (Volume I): What Students Know and Can Do*. Paris: OECD Publishing.

OECD, INFE. (2020). International Survey of Adult Financial Literacy. https://www.oecd.org/financial/education/oecd-infe-2020-international-survey-of-adult-financial-literacy.pdf

Pahl, J. (1990). Household Spending, Personal Spending and the Control of Money in Marriage. *Sociology*, *24*(1), 119–138. https://doi.org/10.1177/0038038590024001009

Pellandini-Simányi, L., & Vargha, Z. (2020). How risky debt became ordinary: A practice theoretical approach. *Journal of Consumer Culture*, *20*(2), 235–254. https://doi.org/10.1177/1469540519891293

Rai, K., Dua, S., & Yadav, M. (2019). Association of Financial Attitude, Financial Behaviour and Financial Knowledge Towards Financial Literacy: A Structural Equation Modeling Approach. *FIIB Business Review*, *8*(1), 51–60. https://doi.org/10.1177/2319714519826651

Remund, D. L. (2010). Financial Literacy Explicated: The Case for a Clearer Definition in an Increasingly Complex Economy. *The Journal of Consumers Affairs*, *44*(2), 276–295. https://doi.org/10.1111/j.1745-6606.2010.01169.x

Ribeiro, R. B., & Soares, I. (2017). Insights and directions for sociological approaches to saving: The case of a Financial Education Programme for children in Portugal. *Journal of Consumer Culture*, *17*(3), 845–863. https://doi.org/10.1177/1469540516634411

Rinaldi, E., & Bonanomi, A. (2011). Adolescents and money: Values and tools to handle the future. *Italian Journal of Sociology of Education*, *3*, 86–121

Russo, G. (2019). *Indagine sul risparmio e sulle scelte finanziarie degli italiani*. Torino: Centro di Ricerca e Documentazione Einaudi. https://www.centroeinaudi.it/images/abook_file/indagine_Risparmio_2019.pdf

Sassatelli, R., Santoro, M., & Semi, G. (2015). *Fronteggiare la crisi. Come cambia lo stile di vita del ceto medio*. Bologna: Il Mulino. https://doi.org/10.978.8815/324078

Schmeiser, M. D., & Seligman, J. S. (2013). Using the Right Yardstick: Assessing Financial Literacy Measures by Way of Financial Well-Being. *Journal of Consumer Affairs*, *47*(2), 243–262. https://doi.org/10.1111/joca.12010

Secondulfo, D., & Tronca, L. (2016). The Crisis and Italian Families, *Italian Sociological Review*, *6*(1), 5-25. http://dx.doi.org/10.13136/isr.v6i1.121

Sherraden, M. (2013). Building Blocks of Financial Capability. In *Financial Capability and Asset Development*. https://doi.org/10.1093/acprof:oso/9780199755950.001.0001

Simmel, G. (2009). *Sociology: inquiries into the construction of social forms*. Leiden-Boston: Brill. https://doi.org/10.1163/ej.9789004173217.i-698

Simmel, G. (2011). *The Philosophy of Money*. London-New York: Routledge. https://doi.org/10.4324/9780203828298

Soberon-Ferrer, H., & Dardis, R. (1991). Determinants of Household Expenditure for Service. *Journal of Consumer Research*, *17*(4), 385–397. https://doi.org/10.1086/208565

Solomon, M., Bamossy, G., Askegaard, S., & Hogg, M. K. (2006). *Consumer Behaviour: A European Perspective*. Edinburgh: Pearson. https://doi.org/10.1108/ejm.1999.33.5_6.1.1

Sprow Forté, K. (2013). Educating for Financial Literacy: A Case Study With a Sociocultural Lens. *Adult Education Quarterly*, 63(3), 215–235. https://doi.org/10.1177/0741713612460267

Tilly, R. (2002). Max Weber und Die Börse, "Jahrbuch für Wirtschaftsgeschichte Economic History Yearbook", 43(2), pp. 191-208.

Tulloch, J., & Lupton, D. (2003). *Risk and everyday life*. Sage: New York. https://doi.org/10.4135/9781446216392.

van Rooij, M., Lusardi, A., & Alessie, R. (2011). Financial literacy and stock market participation. *Journal of Financial Economics, 101*(2), 449–472. https://doi.org/10.1016/j.jfineco.2011.03.006

Wang, S., Cao, P., & Huang, S. (2022). Household financial literacy and relative poverty: An analysis of the psychology of poverty and market participation. *Frontiers in Psychology, 13*, 4358. https://doi.org/10.3389/FPSYG.2022.898486/BIBTEX

Weber, M. (1978). *Economy and Society*. Berkeley: University of California.

Weber, M. (1984). Die Börse. In *Gesammelte Aufsätze zur Soziologie und Sozialpolitik*. Tübingen: Verlag von J.C.B. Mohr (Paul Siebeck).

Weber, M. (2004). *Science as vocation*. Indianapoli, Indiana: Hackett Publishing Company, Inc.

Weber, M. (2011). *Methodology of the Social Science*. London-NewYork: Routledge.

Weiss, H. (2020). The reproduction of capital through financial education. *Economy and Society*, *49*(2), 312–328. https://doi.org/10.1080/03085147.2019.1690278

Xiao, J., Chen, C., & Chen, F. (2014). Consumer financial capability and financial satisfaction. *Social Indicators Research*, *118*(1), 415–432. https://doi.org/10.1007/s11205-013-0414-8

Zelizer, V. (1989). The Social Meaning of Money: «Special Monies». *American Journal of Sociology*, *95*(2), 342–377.fcris